



**OMNI Community Credit Union, Docket No. R-1370  
Comment Call**

**Regulation Z – Credit Card Act Implementation (February 22, 2010 Effective Date) Federal Reserve Board – Interim Final Rule Comments**

**Page 3: Account Opening Disclosures**

***Comment is requested on whether additional facts and circumstances are relevant, as well as whether there are any alternative approaches to determining whether a substitution or replacement results in the opening of a new account or a change in the terms of an existing account for purposes of the disclosure requirements.***

No comment.

**Page 4: Due Date**

***Comment is requested on any operational burden associated with processing additional payments received on the 1<sup>st</sup> through 28<sup>th</sup> of the month in those months with more than 28 days.***

No comment, as this does not impose any operational burden on the credit union.

**Page 6: Format Requirements**

***Comment is requested on whether card issuers should provide information regarding a different number of approved organizations.***

We do not agree that three organizations should be provided. This is due to the fact that many financial institutions work with a particular credit counseling service to provide this service at low or no cost to their members. Therefore, we feel that only one organization should have to be listed.

***Comment is requested on whether card issuers should be required to verify and update the credit counseling information they provide to consumers more or less frequently.***

We feel that annual reporting is sufficient.

#### **Page 7: Exemptions**

***Comment is requested on whether this exemption should be retained. For example, whether the repayment disclosures relating to repayment in 36 months would be helpful where a fixed repayment period longer than 3 years is specified in the account agreement and the required minimum payments will amortize the outstanding balance within the fixed repayment period. For these types of accounts, comment is requested on whether consumers tend to enter into the agreement with the intent (and the ability) to repay the account balance over the life of the account, such that the disclosures for repayment of the account in 36 months would not be useful to consumers.***

It is our feeling that the majority of consumers tend to enter into an agreement with full intentions of repaying the account balance over the life of the account. It would be beneficial however to retain this exemption specifically for delinquent accounts that have been closed in order to collect the balance in an effective manner yet easy on the consumer.

#### **Page 10: Specific Change in Terms Comment Request**

***Comment is requested on any other operational burdens that would be associated with the proposed revision to the OSC.***

No comment.

#### **Page 12: Payments - Cut-Off Times**

***Comment is requested on whether this clarification continues to be appropriate for payments made by methods other than mail.***

We feel that this clarification continues to be appropriate for payments made by methods other than mail.

#### **Page 12: Payments – Payments Made at Financial Institutions**

***Comment is requested on whether an alternative definition would be appropriate: specifically, whether there are other credit card issuers that should be considered "financial institutions" for purposes of the rule.***

No comment

### **Page 13: Treatment of Credit Balances: Account Termination**

***Comment is requested as to whether 30 days provides creditors with sufficient time to provide a statement of the balance on the deceased consumer's account.***

No comment

***Comment is requested on whether a creditor should be permitted to resume the imposition of fees and charges if the administrator or executor of an estate has not paid the account balance within a specified period of time.***

No comment

### **Page 14: Ability to Repay**

***Comment is requested regarding whether there are other reasonable methods that card issuers may use in estimating minimum payments.***

Perhaps instead of institutions making an assumption on minimum payments and interest rates, this should be disclosed and reported on credit reports. This would make the process more accurate and insure that the assumptions we are making to grant credit are not incorrect.

### **Page 15:**

***Comment on whether there is evidence that warrants a requirement to verify information before a credit card account is opened or a credit line is increased.***

We do not feel that the information needs to be verified for a new card to be issued or an increase. This would constitute additional work on the financial institution to call each individual's creditors and verify the information, this could be time consuming and a burden on the financial institution.

## **Page 20: Opt-In Requirement**

***Comment is requested regarding whether creditors should be required to segregate the opt-in notice from other account disclosures.***

If there continue to be additional disclosures this may cause consumers more confusion than they already have with the constantly changing credit card environment.

***Comment is also requested on whether creditors should be required to provide the consumer with written confirmation once the consumer has opted in to verify that the consumer intended to make the election.***

Written confirmation that the consumer opted in may further alleviate confusion for the consumer. Additional confirmation is always beneficial. This confirmation could be on the next statement as to not send separate mailings.

## **Page 21: Consumer Revocation**

***Comment is requested whether the creditors should be required to allow consumers to opt in and to revoke that consent using each of the three methods (that is orally, electronically and in writing).***

It should not be required that a consumer opts in and then revokes that consent. They should be given the option to opt in if they choose to accept the fees and be taken over their given limit. If they do not opt in their card will not exceed their given limit.

## **Timing**

***Comment is requested regarding whether a creditor should be permitted to obtain consumer consent for the payment of over-the-limit transactions prior to the effective date of the final rule and, if so, under what circumstances.***

No comment as this method does alleviate some compliance burden.

## **Content and Format**

***Comment is requested regarding whether additional guidance is necessary if an over-the-limit fee is determined by other means, such as a percentage of the over-the-limit transaction.***

No comment.

***Comment is requested regarding whether the rule should permit or require any other information to be included in the opt-in notice. Comment is also requested regarding whether creditors should be permitted to include any information in the opt-in notice beyond the content specified in the rule.***

No additional information is necessary in regards to the opt-in notice. Creditors should be permitted to include any information in the opt-in notice beyond the content specified in the rule to provide further clarification if they choose so.

### **Additional Provisions Addressing Consumer Opt-in Right**

***Comment is requested whether a safe harbor for implementing revocation requests, such as 5 business days from the date of the request, may be helpful to facilitate compliance with the proposed rule.***

No comment

***Comment is also requested on whether creditors should be required to implement revocation requests within the same time period that a creditor generally takes to implement opt-in requests.***

Creditors should be required to process and implement revocation requests within the same time period that a creditor takes to implement opt-in requests. There should be no reason the two could not be processed in the same period of time. This is a request and courtesy to the consumer and should be handled in timely and efficient manner.

### **Page 23: Proposed Prohibitions on Unfair or Deceptive Over-the-Limit Acts or Practices**

#### **Failure to Promptly Replenish**

***Comment is requested regarding whether the rule should provide a safe harbor specifying the number of days following crediting of a consumer's payment by which a creditor must replenish a consumer's available credit.***

We feel that the number of days should be determined by the days it takes a payment to clear. For example, if the payment is from the same institution, it should be simultaneously. However, if it is from another institution, the payment clearing day may be longer. We feel that 10 days would be appropriate in most situations.

***Comment is requested regarding the operational issues that may arise from the proposed prohibition.***

No comment

**Page 24: Prohibited Inducements**

***Comment is requested on whether there are other appropriate ways to determine a location that is considered near the campus of an institution of higher education.***

No comment

***Page 25: Comment is requested on whether additional items of information should be required to be included in the annual report, as well as the costs and benefits of requiring these (or any other) items of information to be included in the annual report.***

No comment

**Page 25: Internet Posting of Credit Card Agreements**

***While the effective date of this provision would be February 22, 2010, comment is requested on whether the July 1, 2010 mandatory compliance date should be retained for this provision.***

There is no foreseen problem complying with the July 1, 2010 compliance date for this provision.

**Comment is requested on the following issues:**

**-Whether issuers are likely to make technical changes to agreements without simultaneously making substantive changes;**

No comment

**-Whether requiring issuers to resubmit agreements following any change (however minor) would impose a significant burden;**

No comment

**-What standard should be used to determine what changes merit resubmission of an agreement?**

Significant changes such as rate and term should merit the resubmission of an agreement.

**Page 26: De Minimis Exception**

***Comment is requested on whether a de minimis exception should be created that would be applicable to a small credit card plan offered by an***

***issuer of any size and, if so, how “credit card plan” should be defined for purposes of such an exception.***

No exception should be made.

**Page 26: Agreements Posted on Card Issuer’s Web Site**

***Comment is requested regarding whether issuers should have a shorter or longer period in which to respond to cardholder requests.***

No later than 10 business days is a reasonable period of time to respond to cardholder requests. Any longer is too long.

Thank you for the opportunity to comment on this topic.

Regards,

Sarah E. Stevenson  
Compliance Manager  
OMNI Community Credit Union

Debi Southworth  
Credit Manager  
OMNI Community Credit Union